



INSURANCE FRAUD INVESTIGATION DIVISION

Kentucky Department of Insurance

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Fraud Statistics/Convictions Activity

October 2010

Fraud Statistics

	<u>Month/Oct</u>	<u>YTD</u>
Total Referrals Received.....	97	831
Closed Referrals.....	33	192
Open Cases (Investigations-includes prior years)		196
Assigned Cases (Investigations).....	5	162
Closed Cases (Investigations).....	5	163
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....	3	22
Charges (1 felony).....	1	116
		[69 felonies, 47 misdemeanors]
Convictions (1 felony)	1	50
		[30 felonies, 20 misdemeanors]
Restitution Ordered.....	\$7,867.80	\$1,034,288.02
Investigation Expenses to Division		
Awarded..... \$	0.00	4355.00
Collected..... \$	219.97	6,457.71
Administrative subpoenas issued.....	6	13
Non-licensed individuals.....	6	13
Licensed (active/inactive individuals)....	0	0
Subpoenas Received.....	5	42

Convictions Activity

Steven Shumate – On or about October 23, 2003, Steven Shumate applied and was approved for long-term disability. Questionnaires signed and dated by Shumate indicated that he had not engaged in any type of work activity while receiving his long-term disability. The cover letter of a facsimile received by Hartford Life Insurance Company from Shumate originated from Kennedy Middle School and listed Shumate as a counselor. Employment verification was requested from Jefferson County Public Schools and the response stated he had worked for the school system from August 7, 2006, until June 30, 2008. The questionnaires signed by Shumate were dated June 1, 2007, and June 1, 2008. The case was presented before the Jefferson County Grand Jury and a true bill was returned indicting Shumate of one felony count of fraudulent insurance acts. He pleaded guilty to the charge, was placed on pretrial diversion for two years and paid restitution to Hartford in the amount of \$7,867.80.